

# **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**



## **MONTHLY BUDGET STATEMENT REPORT**

**DECEMBER 2019**

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## **PART 1: IN - YEAR REPORT**

### **PURPOSE**

To report to the Council and submit to National and Provincial Treasury on the monthly financial performance of the Municipality as required by Section 71 of the Municipal Finance Management Act.

### **EXECUTIVE SUMMARY**

Section 71 of the Municipal Finance Management Act deals with requirements for in-year reporting and further state that the Accounting Officer of the Municipality must by no later than 10 working days after end of each month submit to the December or and relevant Provincial Treasury, the monthly budget statement in the prescribed format on the state of the municipality's financial results. It must be noted that 2019-20 financial year amounts are not yet audited.

### **IN YEAR BUDGET STATEMENT TABLES**

DESCRIPTION	2019/20			
	ORIGINAL BUDGET	ADJUSTED BUDGET	YEAR TO DATE ACTUAL	PERCENT AGE
OPERATING REVENUE	500,884,685	-	281,927,720	56%
		-		
OPERATING EXPENDITURE	482,591,369	-	207,514,354	43%
		-		
TRANSFER - CAPITAL	73,921,000	-	39,782,270	54%
SURPLUS/(DEFICIT)	92,214,316	-	121,610,729	132%
CAPITAL EXPENDITURE	95,653,510	-	48,663,944	51%

**Table C1 – Budget Statement Summary**

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Financial Performance</b>									
Property rates	33,010	34,727	–	2,988	17,813	17,364	449	3%	34,727
Service charges	89,925	101,507	–	7,946	47,574	45,195	2,379	5%	101,507
Investment revenue	2,800	2,946	–	(41)	1,187	1,173	14	1%	2,946
Transfers and subsidies	245,278	272,618	–	267	203,629	181,465	22,164	12%	–
Other own revenue	84,683	89,087	–	1,815	11,724	50,946	(39,222)	-77%	361,705
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>455,697</b>	<b>500,885</b>	<b>–</b>	<b>12,974</b>	<b>281,928</b>	<b>296,143</b>	<b>(14,215)</b>	<b>-5%</b>	<b>500,885</b>
Employee costs	130,473	147,530	–	18,328	74,881	78,208	(3,327)	-4%	147,530
Remuneration of Councillors	24,291	25,554	–	1,981	12,110	12,777	(667)	-5%	25,554
Depreciation & asset impairment	51,181	56,520	–	–	–	28,260	(28,260)	-100%	56,520
Finance charges	2,900	2,505	–	217	1,173	1,253	(80)	-6%	2,505
Materials and bulk purchases	78,909	94,531	–	9,134	44,670	49,967	(5,297)	-11%	94,531
Transfers and subsidies	3,580	3,740	–	347	1,262	1,790	(528)	-30%	3,740
Other expenditure	157,835	152,210	–	19,701	73,418	80,522	(7,104)	-9%	152,210
<b>Total Expenditure</b>	<b>449,169</b>	<b>482,591</b>	<b>–</b>	<b>49,708</b>	<b>207,514</b>	<b>252,777</b>	<b>(45,263)</b>	<b>-18%</b>	<b>482,591</b>
<b>Surplus/(Deficit)</b>	<b>6,528</b>	<b>18,293</b>	<b>–</b>	<b>(36,734)</b>	<b>74,413</b>	<b>43,366</b>	<b>31,048</b>	<b>72%</b>	<b>18,293</b>
Transfers and subsidies - capital (monetary allocations)	94,050	73,921	–	5,575	47,197	64,400	(17,203)	-27%	73,921
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>100,578</b>	<b>92,214</b>	<b>–</b>	<b>(31,159)</b>	<b>121,611</b>	<b>107,766</b>	<b>13,845</b>	<b>13%</b>	<b>92,214</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	<b>100,578</b>	<b>92,214</b>	<b>–</b>	<b>(31,159)</b>	<b>121,611</b>	<b>107,766</b>	<b>13,845</b>	<b>13%</b>	<b>92,214</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>97,258</b>	<b>95,654</b>	<b>–</b>	<b>6,657</b>	<b>48,664</b>	<b>54,203</b>	<b>(5,539)</b>	<b>-10%</b>	<b>95,654</b>
Capital transfers recognised	81,841	73,921	–	4,894	39,782	42,146	(2,364)	-6%	73,921
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	15,417	21,733	–	1,764	8,882	12,057	(3,175)	-26%	21,733
<b>Total sources of capital funds</b>	<b>97,258</b>	<b>95,654</b>	<b>–</b>	<b>6,657</b>	<b>48,664</b>	<b>54,203</b>	<b>(5,539)</b>	<b>-10%</b>	<b>95,654</b>
<b>Financial position</b>									
Total current assets	211,349	115,014	–	–	155,575	–	–	–	115,014
Total non current assets	1,053,184	1,123,066	–	–	1,111,984	–	–	–	1,123,066
Total current liabilities	140,539	81,128	–	–	117,590	–	–	–	81,128
Total non current liabilities	121,097	103,696	–	–	98,557	–	–	–	103,696
Community wealth/Equity	1,002,897	1,053,256	–	–	1,051,412	–	–	–	1,053,256
<b>Cash flows</b>									
Net cash from (used) operating	118,137	102,851	–	36,860	51,705	83,344	31,639	38%	102,851
Net cash from (used) investing	(44,880)	(88,001)	–	(6,657)	(40,471)	(54,203)	(13,732)	25%	(88,001)
Net cash from (used) financing	(9,023)	(10,086)	–	(791)	(4,534)	(4,448)	86	-2%	(10,086)
<b>Cash/cash equivalents at the month/year end</b>	<b>70,428</b>	<b>29,037</b>	<b>–</b>	<b>–</b>	<b>31,682</b>	<b>48,965</b>	<b>17,283</b>	<b>35%</b>	<b>29,746</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
Debtors Age Analysis									
Total By Income Source	12,343	3,992	2,563	2,372	2,394	2,479	15,279	52,429	93,851
Creditors Age Analysis									
Total Creditors	–	–	–	–	–	–	–	–	–

**The above C1 Sum table summarizes the following activities: -**

**Revenue:**

The actual year to date operational revenue as at end of December is R281, 928 million and the year to date budget of R296, 143 million and this reflects a negative variance of R14, 215 million which is mostly attributable to equitable shares received amounting to R201 757 million. The following are the secondary revenue item categories reflecting a positive and negative material variance:

- Interest earned - external investments: 1% favorable variance,
- Interest earned – outstanding debtors: 109% favorable variance,
- Rental on Facilities and Equipment: 38% unfavorable variance,
- Fines, penalties and forfeits: 94% unfavorable variance
- Transfer and Subsidies: 12% favorable variance
- Services Charges – electricity revenue: 3% favorable variance
- Services Charges – refuse revenue: 35% favorable variance
- Licenses and permits: 20% favorable variance
- Property rates: 3% favorable variance
- Other revenue: 6% unfavorable

**Operating Expenditure**

The year to date operational expenditure as at end of December amounts to R207, 514 million and the year to date budget is R252, 777 million. This reflects underspending variance of R45, 263 million that translates to 18% variance. The variance is attributed underspending variance on depreciation and asset impairment and debt impairment that the municipality is still facing a challenge regarding the computation of monthly movement of the two accounts.

All other expenditure line items are performing almost in line with the year to date budget since the variance thereof is less than 10% except for the following:

- Other Materials: 25% under performance
- Depreciation and asset impairment: 100% under performance variance
- Debt impairment: 99% under performance variance
- Transfers and subsidies: 30% under performance variance
- Other expenditure: 30% over performance
- Contracted services: 50% over performance

The above material variances are explained more in detail on Supporting Tables SC 1

## **Capital Expenditure**

The year to date actual capital expenditure as at end of December 2019 amounts to R48, 664 million and the year to date budget amounts to R54, 203 million and this gives rise to R5, 539 million under performance.

## **Surplus/Deficit**

Taking the above into consideration, the net operating surplus for the month of December is R121, 611 million that is mainly attributed over performance on capital and operating expenditure in the reporting period.

## **Debtors**

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors as at end of December amounts to R93, 851 million and this shows an increase of R13, 743 million as compared to R80, 108 million as at end of 2018/19 financial year.

Consumer debtors is made up of service charges and property rates that amount to R65, 320 million and other debtors amounting to R28, 531 million. Debtors such those relating to traffic fines are reported as other debtors as presented under current assets on Table C6 and as a result, they do not form part of consumer debtors.

## **Creditors**

All creditors are paid within 30 days of receipt of invoice in the month of December as required by MFMA and as a result.

**Table C2 – Financial Performance (Standard Classification)**

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Revenue - Functional</b>									
<b>Governance and administration</b>	<b>198,283</b>	<b>214,636</b>	<b>-</b>	<b>4,104</b>	<b>155,865</b>	<b>135,448</b>	<b>20,417</b>	<b>15%</b>	<b>214,636</b>
Executive and council	42,873	46,559	-	-	37,994	30,830	7,164	23%	46,559
Finance and administration	147,508	159,127	-	4,104	110,945	98,692	12,253	12%	159,127
Internal audit	7,902	8,950	-	-	6,926	5,926	1,000	17%	8,950
<b>Community and public safety</b>	<b>88,850</b>	<b>94,968</b>	<b>-</b>	<b>470</b>	<b>17,551</b>	<b>58,891</b>	<b>(41,340)</b>	<b>-70%</b>	<b>94,968</b>
Community and social services	7,973	9,026	-	11	5,988	5,963	25	0%	9,026
Sport and recreation	10,677	12,092	-	1	8,922	8,003	919	11%	12,092
Public safety	70,200	73,850	-	458	2,640	44,925	(42,285)	-94%	73,850
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>141,810</b>	<b>117,004</b>	<b>-</b>	<b>5,658</b>	<b>77,077</b>	<b>88,877</b>	<b>(11,800)</b>	<b>-13%</b>	<b>117,004</b>
Planning and development	17,107	21,564	-	128	13,891	14,324	(433)	-3%	21,564
Road transport	123,685	94,287	-	5,530	62,422	73,789	(11,367)	-15%	94,287
Environmental protection	1,018	1,153	-	-	764	764	0	0%	1,153
<b>Trading services</b>	<b>120,804</b>	<b>148,197</b>	<b>-</b>	<b>8,318</b>	<b>78,633</b>	<b>77,327</b>	<b>1,306</b>	<b>2%</b>	<b>148,197</b>
Energy sources	102,039	119,623	-	7,614	60,386	61,030	(645)	-1%	119,623
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	18,765	28,574	-	704	18,247	16,297	1,950	12%	28,574
Other	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>549,746</b>	<b>574,806</b>	<b>-</b>	<b>18,549</b>	<b>329,125</b>	<b>360,543</b>	<b>(31,418)</b>	<b>-9%</b>	<b>574,806</b>
<b>Expenditure - Functional</b>									
<b>Governance and administration</b>	<b>184,555</b>	<b>191,835</b>	<b>-</b>	<b>28,337</b>	<b>113,409</b>	<b>102,470</b>	<b>10,939</b>	<b>11%</b>	<b>191,835</b>
Executive and council	39,998	41,658	-	9,689	29,957	21,553	8,404	39%	41,658
Finance and administration	135,446	141,488	-	17,115	78,119	75,779	2,340	3%	141,488
Internal audit	9,111	8,689	-	1,533	5,333	5,138	195	4%	8,689
<b>Community and public safety</b>	<b>68,557</b>	<b>76,535</b>	<b>-</b>	<b>3,193</b>	<b>13,702</b>	<b>39,569</b>	<b>(25,867)</b>	<b>-65%</b>	<b>76,535</b>
Community and social services	5,563	7,457	-	660	2,635	3,977	(1,341)	-34%	7,457
Sport and recreation	9,713	11,037	-	756	2,979	5,774	(2,795)	-48%	11,037
Public safety	53,281	58,041	-	1,777	8,088	29,818	(21,730)	-73%	58,041
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>79,856</b>	<b>87,675</b>	<b>-</b>	<b>6,257</b>	<b>24,976</b>	<b>45,712</b>	<b>(20,736)</b>	<b>-45%</b>	<b>87,675</b>
Planning and development	15,813	17,147	-	1,879	7,599	8,768	(1,169)	-13%	17,147
Road transport	63,315	69,685	-	4,284	17,052	36,490	(19,439)	-53%	69,685
Environmental protection	728	843	-	94	325	453	(128)	-28%	843
<b>Trading services</b>	<b>116,200</b>	<b>126,546</b>	<b>-</b>	<b>11,921</b>	<b>55,427</b>	<b>65,026</b>	<b>(9,599)</b>	<b>-15%</b>	<b>126,546</b>
Energy sources	92,646	99,370	-	8,507	42,331	50,942	(8,611)	-17%	99,370
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	23,554	27,177	-	3,414	13,096	14,084	(988)	-7%	27,177
Other	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>449,169</b>	<b>482,591</b>	<b>-</b>	<b>49,708</b>	<b>207,514</b>	<b>252,777</b>	<b>(45,263)</b>	<b>-18%</b>	<b>482,591</b>
<b>Surplus/ (Deficit) for the year</b>	<b>100,578</b>	<b>92,214</b>	<b>-</b>	<b>(31,159)</b>	<b>121,611</b>	<b>107,766</b>	<b>13,845</b>	<b>13%</b>	<b>92,214</b>

**Table C3 – Fin’ Performance (Revenue and Expenditure by vote)**

Vote Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Revenue by Vote</b>									
Vote 1 - Executive & Council	38,168	46,559	–	–	34,302	27,302	7,000	26%	46,559
Vote 2 - Municipal Manager	31,469	35,643	–	–	26,766	23,602	3,164	13%	35,643
Vote 3 - Budget & Treasury	59,272	64,188	–	4,089	39,423	35,828	3,595	10%	64,188
Vote 4 - Corporate Services	39,931	40,227	–	14	30,751	26,635	4,117	15%	40,227
Vote 5 - Community Services	120,478	132,693	–	1,438	39,133	79,798	(40,665)	-51%	132,693
Vote 6 - Technical Services	233,051	227,629	–	12,879	136,615	145,352	(8,737)	-6%	227,629
Vote 7 - Developmental Planning	11,282	14,966	–	128	9,522	9,955	(433)	-4%	14,966
Vote 8 - Executive Support	16,094	18,229	–	–	12,612	12,071	541	4%	18,229
<b>Total Revenue by Vote</b>	<b>549,746</b>	<b>580,134</b>	<b>–</b>	<b>18,549</b>	<b>329,125</b>	<b>360,543</b>	<b>(31,418)</b>	<b>-9%</b>	<b>580,134</b>
<b>Expenditure by Vote</b>									
Vote 1 - Executive & Council	35,307	36,873	–	5,352	24,336	19,060	5,276	28%	36,873
Vote 2 - Municipal Manager	37,306	35,065	–	9,510	28,959	19,231	9,728	51%	35,065
Vote 3 - Budget & Treasury	51,072	52,917	–	6,082	33,112	29,009	4,102	14%	52,917
Vote 4 - Corporate Services	30,600	36,814	–	2,441	10,742	19,146	(8,404)	-44%	36,814
Vote 5 - Community Services	100,333	112,427	–	7,577	30,734	58,222	(27,487)	-47%	112,427
Vote 6 - Technical Services	167,702	181,124	–	13,876	64,553	93,772	(29,220)	-31%	181,124
Vote 7 - Developmental Planning	9,977	13,185	–	1,073	4,282	6,635	(2,352)	-35%	13,185
Vote 8 - Executive Support	14,187	15,088	–	3,796	10,796	7,702	3,095	40%	15,088
<b>Total Expenditure by Vote</b>	<b>446,483</b>	<b>483,492</b>	<b>–</b>	<b>49,708</b>	<b>207,514</b>	<b>252,777</b>	<b>(45,263)</b>	<b>-18%</b>	<b>483,492</b>
<b>Surplus/ (Deficit) for the year</b>	<b>103,263</b>	<b>96,642</b>	<b>–</b>	<b>(31,159)</b>	<b>121,611</b>	<b>107,766</b>	<b>13,845</b>	<b>13%</b>	<b>96,642</b>

Table C2 and C3 measure the monthly actuals and year to date actuals against the year to date budget. The aforementioned budget tables are presented by standard classification and vote respectively for both revenue and expenditure. The variances are all reflected in the year-to-date variance column.

The financial results portrayed in the two tables are the same as those in other tables (i.e. it is only the description or basis of reporting that is based on financial or budget performance by vote or department, and National Treasury’s standard classification).



**Table C4: Financial Performance by Revenue Source and Expenditure Type**

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Revenue By Source</b>									
Property rates	33,010	34,727		2,988	17,813	17,364	449	3%	34,727
Service charges - electricity revenue	81,798	92,957		7,242	43,372	42,078	1,294	3%	92,957
Service charges - water revenue							-		
Service charges - sanitation revenue							-		
Service charges - refuse revenue	8,127	8,550		704	4,202	3,116	1,085	35%	8,550
Rental of facilities and equipment	1,000	1,052		44	324	526	(202)	-38%	1,052
Interest earned - external investments	2,800	2,946		(41)	1,187	1,173	14	1%	2,946
Interest earned - outstanding debtors	6,692	7,040		1,005	5,568	2,659	2,909	100%	7,040
Dividends received							-		
Fines, penalties and forfeits	70,209	73,860		434	2,616	44,933	(42,316)	-94%	73,860
Licences and permits	5,200	5,470		289	2,600	2,173	427	20%	5,470
Agency services							-		
Transfers and subsidies	245,278	272,618		267	203,629	181,465	22,164	12%	
Other revenue	1,582	1,664		43	616	655	(39)	-6%	272,618
Gains on disposal of PPE	-	-		-	-	-	-		1,664
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>455,697</b>	<b>500,885</b>	<b>-</b>	<b>12,974</b>	<b>281,928</b>	<b>296,143</b>	<b>(14,215)</b>	<b>-5%</b>	<b>500,885</b>
<b>Expenditure By Type</b>									
Employee related costs	130,473	147,530		18,328	74,881	78,208	(3,327)	-4%	147,530
Remuneration of councillors	24,291	25,554		1,981	12,110	12,777	(667)	-5%	25,554
Debt impairment	55,000	57,860		73	183	28,930	(28,747)	-99%	57,860
Depreciation & asset impairment	51,181	56,520		-	-	28,260	(28,260)	-100%	56,520
Finance charges	2,900	2,505		217	1,173	1,253	(80)	-6%	2,505
Bulk purchases	70,000	80,941		6,691	38,241	41,380	(3,139)	-8%	80,941
Other materials	8,909	13,590		2,443	6,429	8,587	(2,158)	-25%	13,590
Contracted services	59,841	53,788		14,370	45,692	30,474	15,218	50%	53,788
Transfers and subsidies	3,580	3,740		347	1,262	1,790	(528)	-30%	3,740
Other expenditure	42,994	40,562		5,258	27,543	21,118	6,425	30%	40,562
Loss on disposal of PPE	-	(0)		-	-	-	-		(0)
<b>Total Expenditure</b>	<b>449,169</b>	<b>482,591</b>	<b>-</b>	<b>49,708</b>	<b>207,514</b>	<b>252,777</b>	<b>(45,263)</b>	<b>-18%</b>	<b>482,591</b>
<b>Surplus/(Deficit)</b>	<b>6,528</b>	<b>18,293</b>	<b>-</b>	<b>(36,734)</b>	<b>74,413</b>	<b>43,366</b>	<b>31,048</b>	<b>72%</b>	<b>18,293</b>
Transfers and subsidies - capital (monetary allocations)	94,050	73,921		5,575	47,197	64,400	(17,203)	-27%	73,921
Transfers and subsidies - capital (monetary allocations)							-		
Transfers and subsidies - capital (in-kind - all)							-		
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>100,578</b>	<b>92,214</b>	<b>-</b>	<b>(31,159)</b>	<b>121,611</b>	<b>107,766</b>			<b>92,214</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>100,578</b>	<b>92,214</b>	<b>-</b>	<b>(31,159)</b>	<b>121,611</b>	<b>107,766</b>			<b>92,214</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>100,578</b>	<b>92,214</b>	<b>-</b>	<b>(31,159)</b>	<b>121,611</b>	<b>107,766</b>			<b>92,214</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/ (Deficit) for the year</b>	<b>100,578</b>	<b>92,214</b>	<b>-</b>	<b>(31,159)</b>	<b>121,611</b>	<b>107,766</b>		<b>-</b>	<b>92,214</b>

Table C4 provides budget performance details for revenue by source and expenditure by type. For revenue, the main deviations from budget projections are on property rates, service charges – electricity, refuse, rental of facilities and equipment, interest earned – external investments, interest on outstanding debtors, fines, penalties and forfeits, licenses and permits and other revenue.

In the case of expenditure, the following line items reflect material variance; Remuneration of councilors, Bulk purchases, other expenditure, debt impairment, depreciation and asset impairment, finance charges, employee related costs, other materials, and transfer and subsidies.

Reasons for deviations will only be provided for material variances and a variance is deemed to be material if it is 10% and more.

**Table C5 Capex: Monthly Capital Expenditure by Standard Classification and Funding**

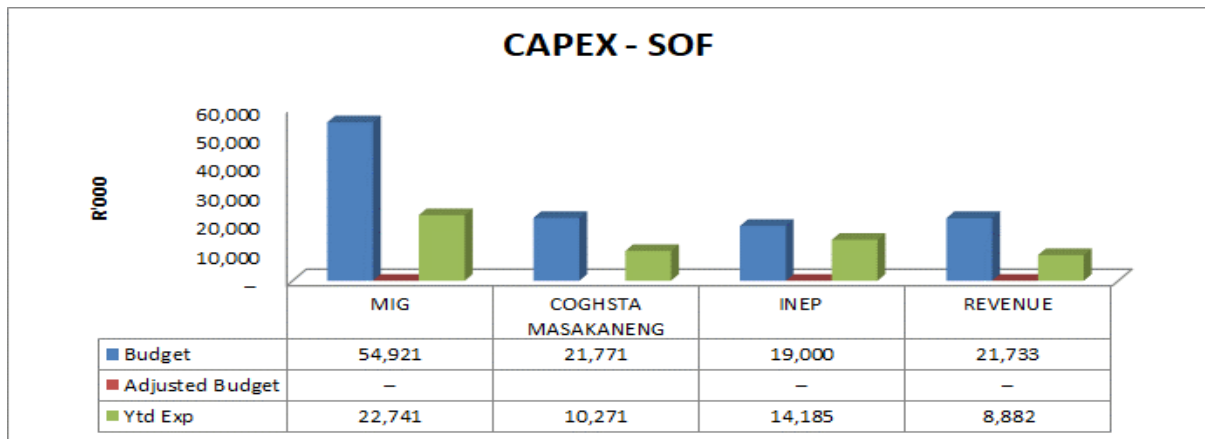
Vote Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital Expenditure - Functional Classification</b>									
<b>Governance and administration</b>	2,200	1,800	-	193	539	737	(198)	-27%	1,800
Executive and council							-		
Finance and administration	2,200	1,800		193	539	737	(198)	-27%	1,800
Internal audit							-		
<b>Community and public safety</b>	522	500	-	-	-	500	(500)	-100%	500
Community and social services	522	500				500	(500)	-100%	500
Sport and recreation							-		
Public safety							-		
Housing							-		
Health							-		
<b>Economic and environmental services</b>	79,449	72,006	-	5,550	34,643	40,706	(6,062)	-15%	72,006
Planning and development							-		
Road transport	79,449	72,006		5,550	34,643	40,706	(6,062)	-15%	72,006
Environmental protection							-		
<b>Trading services</b>	15,087	21,348	-	915	13,482	12,260	1,221	10%	21,348
Energy sources	13,487	19,522		289	12,856	10,434	2,421	23%	19,522
Water management							-		
Waste water management							-		
Waste management	1,600	1,826		626	626	1,826	(1,200)	-66%	1,826
Other							-		
<b>Total Capital Expenditure - Functional Classification</b>	<b>97,258</b>	<b>95,654</b>	<b>-</b>	<b>6,657</b>	<b>48,664</b>	<b>54,203</b>	<b>(5,539)</b>	<b>-10%</b>	<b>95,654</b>
<b>Funded by:</b>									
National Government	62,910	73,921		4,894	39,782	42,146	(2,364)	-6%	73,921
Provincial Government	18,931	-					-		
District Municipality							-		
Other transfers and grants							-		
<b>Transfers recognised - capital</b>	<b>81,841</b>	<b>73,921</b>	<b>-</b>	<b>4,894</b>	<b>39,782</b>	<b>42,146</b>	<b>(2,364)</b>	<b>-6%</b>	<b>73,921</b>
Borrowing							-		
Internally generated funds	15,417	21,733		1,764	8,882	12,057	(3,175)	-26%	21,733
<b>Total Capital Funding</b>	<b>97,258</b>	<b>95,654</b>	<b>-</b>	<b>6,657</b>	<b>48,664</b>	<b>54,203</b>	<b>(5,539)</b>	<b>-10%</b>	<b>95,654</b>

**Table C5C: Monthly Capital Expenditure by Vote**

Vote Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Multi-Year expenditure appropriation</b>									
Vote 1 - Executive & Council	-	-	-	-	-	-	-		-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-		-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-		-
Vote 4 - Corporate Services	1,400	-	-	-	-	-	-		-
Vote 5 - Community Services	1,600	-	-	-	-	-	-		-
Vote 6 - Technical Services	25,714	50,583	-	1,072	26,252	27,457	(1,204)	-4%	50,583
Vote 7 - Developmental Planning	-	-	-	-	-	-	-		-
Vote 8 - Executive Support	-	-	-	-	-	-	-		-
<b>Total Capital Multi-year expenditure</b>	<b>28,714</b>	<b>50,583</b>	<b>-</b>	<b>1,072</b>	<b>26,252</b>	<b>27,457</b>	<b>(1,204)</b>	<b>-4%</b>	<b>50,583</b>
<b>Single Year expenditure appropriation</b>									
Vote 1 - Executive & Council	-	-	-	-	-	-	-		-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-		-
Vote 3 - Budget & Treasury	-	500	-	-	-	-	-		500
Vote 4 - Corporate Services	800	1,800	-	193	539	1,237	(698)	-56%	1,800
Vote 5 - Community Services	522	1,826	-	626	626	1,826	(1,200)	-66%	1,826
Vote 6 - Technical Services	67,222	40,945	-	4,767	21,246	23,683	(2,437)	-10%	40,945
Vote 7 - Developmental Planning	-	-	-	-	-	-	-		-
Vote 8 - Executive Support	-	-	-	-	-	-	-		-
<b>Total Capital single-year expenditure</b>	<b>68,544</b>	<b>45,071</b>	<b>-</b>	<b>5,585</b>	<b>22,412</b>	<b>26,747</b>	<b>(4,335)</b>	<b>-16%</b>	<b>45,071</b>
<b>Total Capital Expenditure</b>	<b>97,258</b>	<b>95,654</b>	<b>-</b>	<b>6,657</b>	<b>48,664</b>	<b>54,203</b>	<b>(5,539)</b>	<b>-10%</b>	<b>95,654</b>

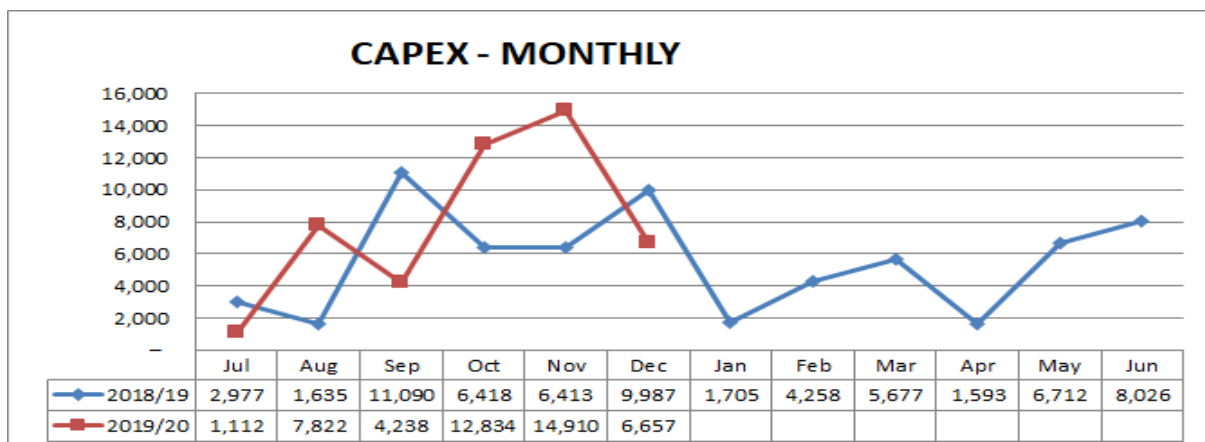
The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of December 2019, R6, 657 million spending was incurred and that increased the year to date expenditure to R48, 664 million whilst the year to date budget is R54, 203 million and this gave rise to under spending variance of R5, 539 million that translates to 10%.

Figure 1: Capital expenditure by source



The above graph shows the components of sources of finance for capital budget. Of the total capital budget of R95, 654 million, R54, 921 million is funded from Municipal Infrastructure grant, R19, 000 million from Integrated National Electrification Programme and R21, 733 million from own revenue and the spending per source of finance is presented in the above graph.

**Figure 2: Monthly capital expenditure**



The above graph compares the 2018/19 and 2019/20 monthly capital expenditure performance.

**Table C6: Monthly Budget Statement Financial Position**

Description	2018/19	Budget Year 2019/20			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	3,136	4,882		31,682	4,882
Call investment deposits	67,292	24,155		–	24,155
Consumer debtors	45,009	41,950		50,315	41,950
Other debtors	89,584	40,727		65,441	40,727
Current portion of long-term receivables	–	–		–	–
Inventory	6,328	3,300		8,137	3,300
<b>Total current assets</b>	<b>211,349</b>	<b>115,014</b>	<b>–</b>	<b>155,575</b>	<b>115,014</b>
<b>Non current assets</b>					
Long-term receivables	–	–		–	–
Investments	–	–		–	–
Investment property	54,139	53,739		58,240	53,739
Investments in Associate	–	–		–	–
Property, plant and equipment	997,723	1,055,765		1,053,667	1,055,765
Biological					
Intangible	85	85		39	85
Other non-current assets	1,237	13,476		37	13,476
<b>Total non current assets</b>	<b>1,053,184</b>	<b>1,123,066</b>	<b>–</b>	<b>1,111,984</b>	<b>1,123,066</b>
<b>TOTAL ASSETS</b>	<b>1,264,533</b>	<b>1,238,080</b>	<b>–</b>	<b>1,267,559</b>	<b>1,238,080</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	–	–		–	–
Borrowing	5,002	9,686		10,192	9,686
Consumer deposits	5,373	4,860		5,510	4,860
Trade and other payables	126,449	60,924		90,530	60,924
Provisions	3,715	5,658		11,358	5,658
<b>Total current liabilities</b>	<b>140,539</b>	<b>81,128</b>	<b>–</b>	<b>117,590</b>	<b>81,128</b>
<b>Non current liabilities</b>					
Borrowing	23,097	13,554		13,469	13,554
Provisions	98,000	90,142		85,088	90,142
<b>Total non current liabilities</b>	<b>121,097</b>	<b>103,696</b>	<b>–</b>	<b>98,557</b>	<b>103,696</b>
<b>TOTAL LIABILITIES</b>	<b>261,637</b>	<b>184,824</b>	<b>–</b>	<b>216,147</b>	<b>184,824</b>
<b>NET ASSETS</b>	<b>1,002,897</b>	<b>1,053,256</b>	<b>–</b>	<b>1,051,412</b>	<b>1,053,256</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
<b>Accumulated Surplus/(Deficit)</b>	<b>1,002,897</b>	<b>1,053,256</b>		<b>1,051,412</b>	<b>1,053,256</b>
<b>Reserves</b>	<b>–</b>	<b>–</b>		<b>–</b>	<b>–</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>1,002,897</b>	<b>1,053,256</b>	<b>–</b>	<b>1,051,412</b>	<b>1,053,256</b>

The above table shows that community wealth amounts to R1, 051 billion, total liabilities R216, 147 million and the total assets R1, 267 billion. Non-current liabilities are mainly made up of borrowing and provisions for long service award, landfill site. Taking the current liabilities and current assets together, the municipality has current ratio of 0.76:1 that is slightly above the norm of 1. The municipality still needs to reduce the current liabilities and increase the current assets to strengthen the liquidity ratio.

**Table C7: Monthly Budget Statement Cash Flow**

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates	18,029	21,878		1,991	12,706	17,364	(4,658)	-27%	21,878
Service charges	69,861	91,398		7,812	42,913	45,195	(2,282)	-5%	91,398
Other revenue	30,398	17,441		1,790	12,124	23,865	(11,741)	-49%	17,441
Government - operating	186,331	272,618		69,707	204,336	181,465	22,871	13%	272,618
Government - capital	93,601	73,921		17,467	53,434	64,400	(10,966)	-17%	73,921
Interest	3,493	3,861		74	1,792	3,833	(2,040)	-53%	3,861
Dividends	-	-		-	-	-	-	0%	-
<b>Payments</b>									
Suppliers and employees	(280,260)	(372,021)		(61,418)	(272,919)	(249,735)	23,184	-9%	(372,021)
Finance charges	(1,397)	(2,505)		(217)	(1,419)	(1,253)	167	-13%	(2,505)
Transfers and Grants	(1,919)	(3,740)		(347)	(1,262)	(1,790)	(528)	30%	(3,740)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>118,137</b>	<b>102,851</b>	<b>-</b>	<b>36,860</b>	<b>51,705</b>	<b>83,344</b>	<b>31,639</b>	<b>38%</b>	<b>102,851</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	3,022	-		-	-	-	-	0%	-
Decrease (Increase) in non-current debtors	-	-		-	10,082	-	10,082	0%	-
Decrease (increase) other non-current receivables	150	-		-	-	-	-		-
Decrease (increase) in non-current investments	-	-		-	-	-	-		-
<b>Payments</b>									
Capital assets	(48,052)	(88,001)		(6,657)	(50,553)	(54,203)	(3,650)	7%	(88,001)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(44,880)</b>	<b>(88,001)</b>	<b>-</b>	<b>(6,657)</b>	<b>(40,471)</b>	<b>(54,203)</b>	<b>(13,732)</b>	<b>25%</b>	<b>(88,001)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	-	-					-		-
Borrowing long term/refinancing	-	-					-		-
Increase (decrease) in consumer deposits	124	(400)		7	124	(916)	1,040	-114%	(400)
<b>Payments</b>									
Repayment of borrowing	(9,147)	(9,686)		(799)	(4,659)	(3,533)	1,126	-32%	(9,686)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(9,023)</b>	<b>(10,086)</b>	<b>-</b>	<b>(791)</b>	<b>(4,534)</b>	<b>(4,448)</b>	<b>86</b>	<b>-2%</b>	<b>(10,086)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>64,234</b>	<b>4,764</b>	<b>-</b>	<b>29,411</b>	<b>6,700</b>	<b>24,692</b>			<b>4,764</b>
Cash/cash equivalents at beginning:	6,194	24,273			24,982	24,273			24,982
Cash/cash equivalents at month/year end:	70,428	29,037	-		31,682	48,965			29,746

Table C7 presents details pertaining to cash flow performance. As at end of December 2019, the net cash inflow from operating activities is R51, 705 million whilst net cash outflow from investing activities is R40, 741 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R4, 534 million. The cash and cash equivalent held at end of December 2019 amounted to R31, 682 million and the net effect of the above cash flows is cash inflow movement of R6, 700 million. The cash and cash equivalent at end of the reporting period of R31, 682 million, is made up of cash in the primary bank account amounting to R31, 682 million and no short-term investment.

## PART 2: SUPPORTING TABLES

Supporting Table: SC 1 Material Variance Explanations

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Revenue By Source</b>			
Property rates	3%	The projected monthly revenue appear to be low in light of the actual revenue performance	There might be upwards revenue adjustment should the account continue to underperform
Service charges - electricity revenue	3%	The projected monthly revenue appear to be too lower in light of the actual revenue performance	There might be upwards revenue adjustment should the account continue to underperform
Service charges - refuse revenue	35%	The actual revenue generated in more than the projected monthly revenue	The budget will be adjusted upwards in the main adjustment budget
Rental of facilities and equipment	-38%	The majority of the rented assets are not at arm's length transactions	The rental amount should be market related
Interest earned - external investments	1%	The projected interest to be realised was overprojected	The budget will be adjusted downwards in the main adjustment budget
Interest earned - outstanding debtors	109%	The projected interest to be realised was overprojected	The budget will be adjusted downwards in the main adjustment budget
Fines, penalties and forfeits	-94%	The municipality is still applying cash basis of accounting as opposed to accrual method	The traffic fines systems (TMT and TCS) to be integrated with munsoft so that traffic fines will be realised and reported on as and when issued
Licences and permits	20%	The actual revenue generated in less than the projected monthly revenue	The budget will be adjusted upwards in the main adjustment budget
Transfers and subsidies	12%	The first tranche of equitable share was higher than the projection thereof	No remedial action is needed as all budgeted grants have been gazetted
Other revenue	-6%	The actual revenue generated is less than the projected monthly revenue	The budget will be adjusted downwards in the main adjustment budget
<b>Expenditure By Type</b>			
Employee related costs	-4%	The actual expenditure incurred on employee related costs is less than the projected monthly expenditure	The budget will be adjusted downwards in the main adjustment budget
Remuneration of councillors	-5%	The actual expenditure incurred on remuneration of councillors is less than the projected monthly expenditure	The budget will be adjusted downwards in the main adjustment budget
Depreciation & asset impairment	-100%	Depreciation is still calculated at year end	Asset management system must be integrated with munsoft so that the monthly depreciation movement can be interfaced and reported on
Finance charges	-6%	Finance charges is mainly for finance lease and the leased invoices are not captured before System closure	The Invoices will be reflected on the following Month
Bulk purchases	-8%	The current Eskom bill was paid but not captured on munsoft	All processed invoices must be captured on munsoft before month end system closure
Other materials	-25%	The discrepancy is caused by non spending on repairs and maintenance and the major portion of other materials comes from this account	The departments with repairs and maintenance to accelerate spending thereof
Contracted services	50%	The actual expenditure incurred is more than the projected monthly expenditure	The Line item will be monitored at measure to cap the expenditure will be implemented
Transfers and subsidies	-30%	The actual expenditure incurred was less than the projected monthly expenditure	There might be downwards Expenditure adjustment should the account continue to underperform
Other expenditure	30%	The actual expenditure incurred is more than the projected monthly expenditure	The budget will be monitored for adjustment should the trend continue

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Capital Expenditure</b>			
National Government	-6%	The spending on grants funded capital projects are in line with the projected expenditure thereof	No remedial action is needed
Internally generated funds	-26%	The spending on internally generated funded capital projects are in line with the projected expenditure thereof	No remedial action is needed
<b>Cash Flow</b>			
Service charges	-5%	The collection rate on service charges is below the projected rate	To review the projected collection rate during adjustment
Other revenue	-49%	The collection rate on tender documents (grants funded) for 2019/20 are not selling as projected	This need to be looked into
Government - operating	13%	The first tranche of equitable share was higher than the projection thereof	No remedial action is needed as all budgeted grants have been gazetted
Interest	-53%	Interest on Outstanding Debtors isn't as projected due to the under collection from debtors	Finance department to strengthen the credit control measures in ensuring improved collection rate
Suppliers and employees	-9%	The actual costs incurred is above the projected costs	No remedial action is needed
Capital assets	7%	The projected capital expenditure on capex is lower than the actual spending thereof	No remedial action is needed
Transfers and Grants	30%	The payments relating to this account are slightly over projected for the previous months	No remedial action is needed
Increase (decrease) in consumer deposits	-114%	Consumer deposits were significantly higher than the projection thereof	No remedial action is needed
Repayment of borrowing	-32%	Projected repayments were lower than the actual Payment	No remedial action is needed



### Supporting Table: SC 3 - Debtors Age Analysis

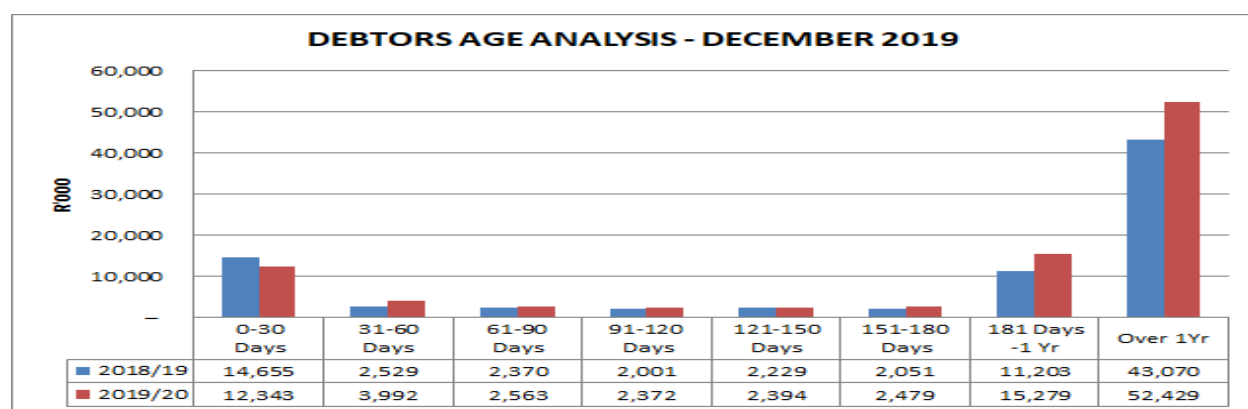
Description	Budget Year 2019/20										Actual Bad Debts Written Off	Impairment Bad Debts	
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days			
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	7,115	1,286	164	82	71	89	310	2,839	11,957	3,392			
Receivables from Non-exchange Transactions - Property Rates	2,988	1,372	1,100	1,078	1,058	1,036	7,955	23,333	39,920	34,460			
Receivables from Exchange Transactions - Waste Water Management	-	-	-	-	-	-	-	-	-	-			
Receivables from Exchange Transactions - Waste Management	702	456	388	380	376	391	2,080	7,616	12,388	10,842			
Receivables from Exchange Transactions - Property Rental Debtors	42	10	8	8	9	64	100	815	1,056	996			
Interest on Arrear Debtor Accounts	1,005	968	930	903	877	849	4,456	17,762	27,750	24,847			
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-			
Other	491	(99)	(27)	(78)	2	48	378	65	781	415			
<b>Total By Income Source</b>	<b>12,343</b>	<b>3,992</b>	<b>2,563</b>	<b>2,372</b>	<b>2,394</b>	<b>2,479</b>	<b>15,279</b>	<b>52,429</b>	<b>93,851</b>	<b>74,952</b>	-	-	
<b>2018/19 - totals only</b>	<b>14,655</b>	<b>2,529</b>	<b>2,370</b>	<b>2,001</b>	<b>2,229</b>	<b>2,051</b>	<b>11,203</b>	<b>43,070</b>	<b>80,108</b>	<b>60,554</b>			
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	1,497	895	680	491	543	583	3,218	11,547	19,454	16,382			
Commercial	6,520	779	355	345	312	322	1,414	7,770	17,817	10,163			
Households	3,500	1,641	1,022	1,030	1,033	1,010	6,193	21,092	36,522	30,359			
Other	825	678	506	506	505	564	4,454	12,020	20,058	18,049			
<b>Total By Customer Group</b>	<b>12,343</b>	<b>3,992</b>	<b>2,563</b>	<b>2,372</b>	<b>2,394</b>	<b>2,479</b>	<b>15,279</b>	<b>52,429</b>	<b>93,851</b>	<b>74,952</b>	-	-	

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of December amount to R93, 851 million. The debtors' book is made up as follows:

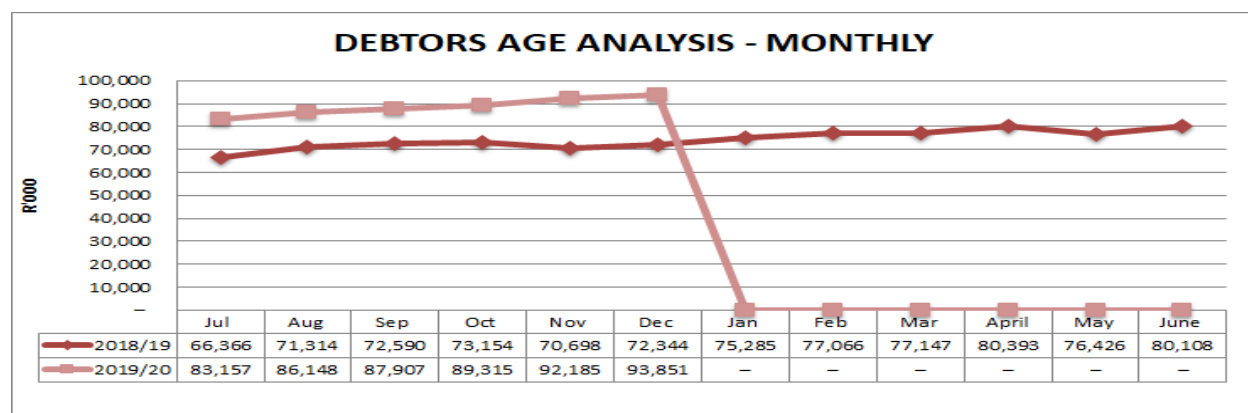
- Rates 43%
- Electricity 13%
- Rental 1%
- Refuse removal 13%
- Interest on Debtors 30%
- Other 1%

The debtors' age analysis is graphically presented below.

**Figure 3: Debtors age analysis**



**Figure 4: Monthly debtors book**



The initial graph compares debtors' age analysis for 2018/19 financial year and 2019/20 (as at end of December 2019) whilst the latter shows monthly movement of debtors for both the current financial year and the 2018/19 financial year. The debtors book is materially less than the 2019/20 monthly figures and this is an indication that the municipality is not performing well in terms of collection.

Below is list of top twenty debtors that contribute significantly to the ever-growing debt book.

## TOP TWENTY DEBTORS

ACCOUNT NO	ACCOUNT HOLDER NAME	ACCOUNT STATUS	OCC/OWN	OUTSTANDING BALANCE
9005301	TWIN CITY TRADING PTY LTD 0000 PLUS 1 OTHER	ACTIVE	OWNER	1,833,735.21
9012345	BREED J & OOSTHUIZEN J F	ACTIVE	OCCUPIER	947,470.90
1501364	JAN JOUBERT TR (JO JO TANKS)	ACTIVE	OWNER	392,494.86
6000908	DEPARTMENT OF EDUCATION	ACTIVE	OWNER	280,712.96
9900067	WATER PURIFICATION PLANT (SDM)	ACTIVE	OCCUPIER	273,720.34
5617	GROBLERSDAL VLEISMARK PTY LTD	ACTIVE	OWNER	267,651.29
9002065	GOVERNMENT OF KWANDEBELE	ACTIVE	OWNER	264,521.92
5001708	UNITRADE 518 (PTY) LTD	ACTIVE	OWNER	263,686.84
9002958	PROVINCIAL GOVERNMENT OF LIMPO	ACTIVE	OWNER	234,146.59
2200702	NAMIB FAMILY TRUST	ACTIVE	OWNER	233,216.38
9000276	DEPARTMENT OF PUBLIC WORKS-PROVINCIAL	ACTIVE	OWNER	219,359.04
201885	SHOPRITE CHECKERS (PTY) LTD	ACTIVE	OCCUPIER	217,362.28
9001763	TSHEHLA TRUST MAMAILE GEORGE	ACTIVE	OWNER	216,961.16
37850	WORLD WATCH TRADING 136 CC	ACTIVE	OCCUPIER	199,927.64
5002109	VAN AARD FJ(MAPOCHH)	ACTIVE	OCCUPIER	196,954.62
9000400	UITZOECHT LANDGOED CC	ACTIVE	OWNER	193,392.56
136	LIZINEX (PTY) LTD	ACTIVE	OWNER	192,598.00
9002503	GOUWS BOERDERY TRUST	ACTIVE	OWNER	188,142.64
211693	BOXER SUPERSTORE'ATT KERSHNEE	ACTIVE	OCCUPIER	187,390.34
2100381	BEN VILJOEN -KOSHUISE	ACTIVE	OCCUPIER	187,128.85
<b>TOTAL</b>				<b>6,990,574.42</b>

## Supporting Table: SC 4 - Creditors Age Analysis

Description	Budget Year 2019/20									Prior year totals for chart
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity										-
Bulk Water										-
PAYE deductions										-
VAT (output less input)										-
Pensions / Retirement deductions										-
Loan repayments										-
Trade Creditors										-
Auditor General										-
Other										-
<b>Total By Customer Type</b>	-	-	-	-	-	-	-	-	-	-

Supporting table SC4 provides creditors age analysis. In terms of section 65 of the MFMA all creditors must be paid within 30 days of receiving an invoice. The municipality is having challenges relating to extraction of creditors age analysis and below are the contributing factors:

- Goods received vouchers (GRV) are only processed on the system as and when we are about to pay and this approach distorts the entire picture of ageing our creditors since the system will count the number of days taken to process an invoice from the date the GRV is processed.
- The contracted services are paid through direct/straight payments that do not feed the age analysis module.

Proposal was made that the municipality need to maintain the invoice register that should be used for manually updating the creditors age analysis and the Budget and Treasury department is in a process of implementing the proposed register.

## TOP CREDITORS PAID

CODE	CREDITOR NAME	AMOUNT
37770	BAHLOTSE TRADING (PTY) LTD	521,770.00
1004	LERMAT CONSTRUCTION & PROJECTS	196,592.50
1256	MANY LE MANG CONSTRUCTION	188,400.00
530	RENA BATSWAKO TRANSPORT AND CO	182,521.28
41061	KGADI YA MALAPA TRADING	179,950.00
80653	BABIRWA TRAVEL	165,044.17
80902	MAMBIZA CONCRETE	148,925.00
41095	REAKGONA TRAVEL SERVICES	107,337.50
31335	247 TRAVEL AND TOURISM	64,200.00
504	SEKHOPA PROJECTS	63,995.00
37581	PHELADI NOKO B1 FUNERAL	61,667.66
37537	FITO & SONS CONSTRUCTION	29,600.00
31905	MORANA TRADING ENTERPRISES	28,500.00
80877	KM JUNIOR INVESTMENTS	28,320.00
37690	THUTHUTO SETSHABENG TRADING	28,000.00
70082	DITSHIPITSELENG SERVICES (PTY)	27,496.50
80432	DUMITRI HOLDING PTY LTD	27,495.00
80449	TAMARAYI TRANSPORT	26,700.00
80302	ZIKOMO GROUP	26,000.00
32068	BARWA COMMUNICATIONS C.C	24,000.00
<b>TOTAL</b>		<b>2,126,514.61</b>

The above table presents the top creditors paid during the month of December 2019 and an amount of R2, 126 million were paid to these creditors within 30 days.

### Supporting Table: SC 5 - Investment Portfolio

Name of institution & investment ID	Period of Investment	Type of Investment	Interest Rate <sup>3</sup>	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal	Investment Top Up	Closing Balance
<b>Municipality</b>									
Nedbank 03/7881068264/0037	1 Month	Current Investment	5.20%	31-Oct-19	41,099	-	(41,099)	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>					<b>41,099</b>		<b>(41,099)</b>	<b>-</b>	<b>-</b>

Supporting table SC5 presents all investment movements, and it indicates that the municipality had opening investment amount of R41, 099 thousand, which is made of interest from previous month and the whole is withdrawn, currently the municipality has no investment.

## Supporting Table: SC 6 - Transfers and Grant Receipts

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	<b>245,278</b>	<b>272,618</b>	<b>-</b>	<b>89,670</b>	<b>204,955</b>	<b>181,465</b>	<b>23,490</b>	<b>13%</b>	<b>272,618</b>
Local Government Equitable Share	237,506	269,009		89,670	201,757	178,130	23,627	13%	269,009
Finance Management	1,770	2,235		-	2,235	2,235	-		2,235
EPWP Incentive	1,002	1,374		-	963	1,100	(137)	-12%	1,374
Energy Efficiency and Demand Management	5,000	-		-	-	-			-
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other transfers and grants [insert description]							-		
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
N/A							-		
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
N/A							-		
<b>Total Operating Transfers and Grants</b>	<b>245,278</b>	<b>272,618</b>	<b>-</b>	<b>89,670</b>	<b>204,955</b>	<b>181,465</b>	<b>23,490</b>	<b>13%</b>	<b>272,618</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>72,279</b>	<b>73,921</b>	<b>-</b>	<b>17,476</b>	<b>53,444</b>	<b>64,400</b>	<b>(10,956)</b>	<b>-17%</b>	<b>73,921</b>
Municipal Infrastructure Grant (MIG)	62,270	54,921		17,476	39,444	49,500	(10,056)	-20%	54,921
Integrated National Electrification Grant	10,009	19,000		-	14,000	14,900	(900)	-6%	19,000
<b>Provincial Government:</b>	<b>21,771</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Coghsta - Development	21,771	-							
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
N/A							-		
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
N/A							-		
<b>Total Capital Transfers and Grants</b>	<b>94,050</b>	<b>73,921</b>	<b>-</b>	<b>17,476</b>	<b>53,444</b>	<b>64,400</b>	<b>(10,956)</b>	<b>-17%</b>	<b>73,921</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>339,328</b>	<b>346,539</b>	<b>-</b>	<b>107,146</b>	<b>258,399</b>	<b>245,865</b>	<b>12,534</b>	<b>5%</b>	<b>346,539</b>

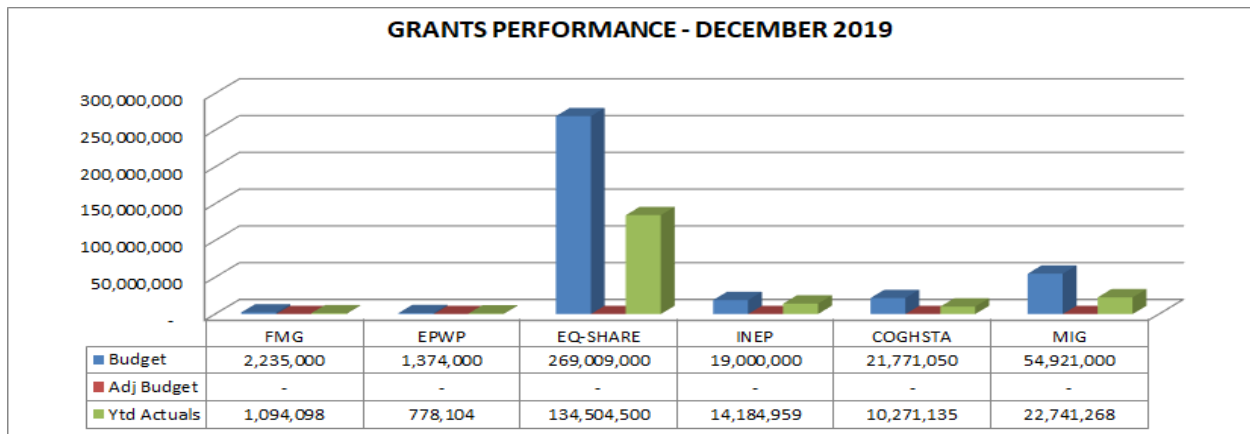
Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R258, 399 million of which the major portion is attributed to equitable share. For the reporting period equitable shares amounting to R201 757 million; Integrated National Electrification Programme amounting to R14 000 million and Municipal Infrastructure Grant amounting to R39 444 million, Expanded Public Works Programme R963 thousand, Financial Management Grant amounting to R2, 235 million were received. All the grants allocated for the current financial year, so far have been received in line with National Treasury payment schedule.

## Supporting Table: SC 7 Transfers and grants – Expenditure

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>EXPENDITURE</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>245,278</b>	<b>272,618</b>	<b>-</b>	<b>22,684</b>	<b>136,377</b>	<b>180,815</b>	<b>(44,438)</b>	<b>-25%</b>	<b>272,618</b>
Local Government Equitable Share	237,506	269,009		22,417	134,505	178,130	(43,626)	-24%	269,009
Finance Management	1,770	2,235		146	1,094	2,235	(1,141)	-51%	2,235
EPWP Incentive	1,002	1,374		121	778	450	328	73%	1,374
Energy Efficiency and Demand Management	5,000	-				-	-		-
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
N/A									
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
N/A									
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
N/A									
<b>Total operating expenditure of Transfers and Grants:</b>	<b>245,278</b>	<b>272,618</b>	<b>-</b>	<b>22,684</b>	<b>136,377</b>	<b>180,815</b>	<b>(44,438)</b>	<b>-25%</b>	<b>272,618</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>72,279</b>	<b>73,921</b>	<b>-</b>	<b>2,489</b>	<b>36,926</b>	<b>60,400</b>	<b>(23,474)</b>	<b>-39%</b>	<b>73,921</b>
Municipal Infrastructure Grant (MIG)	62,270	54,921		2,117	22,741	49,500	(26,759)	-54%	54,921
Intergrated National Electrification Grant	10,009	19,000		372	14,185	10,900	3,285	30%	19,000
<b>Provincial Government:</b>	<b>21,771</b>	<b>21,771</b>	<b>-</b>	<b>3,085</b>	<b>10,271</b>	<b>4,256</b>	<b>6,015</b>	<b>141%</b>	<b>21,771</b>
Coghsta - Development	21,771	21,771		3,085	10,271	4,256	6,015	141%	21,771
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
N/A									
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
N/A									
<b>Total capital expenditure of Transfers and Grants</b>	<b>94,050</b>	<b>95,692</b>	<b>-</b>	<b>5,575</b>	<b>47,197</b>	<b>64,656</b>	<b>(17,459)</b>	<b>-27%</b>	<b>95,692</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>339,328</b>	<b>368,310</b>	<b>-</b>	<b>28,259</b>	<b>183,574</b>	<b>245,471</b>	<b>(61,897)</b>	<b>-25%</b>	<b>368,310</b>

An amount of R28, 259 million has been spent on grants during the month of December 2019 and the year to date actuals is 183, 574 million whilst the year to date budget amounts to R245, 471 million and this results in overspending variance of R61, 897 million that translates to negative 25%. Of the total spending amounting to R28, 259 million, R22, 684 million is spent on operational grants whilst R5, 575 million is spent of capital grants.

**Figure 5: Grants performance**



The above graph depicts the gazetted and budgeted amounts for all the grants and the expenditure thereof as at end of DECEMBER 2019. The grants expenditure are shown below in percentages:

- Financial Management Grant 48.95%
- Expanded Public Work Programme 56.63%
- Equitable Share 50.00%
- Integrated National Electrification Grant 74.66%
- COGHSTA – Masakaneng Development 47.18%
- Municipal Infrastructure Grant 41.41%



## Supporting Table: SC7 (2) – Expenditure against approved rollovers

Description	Budget Year 2019/20				
	Approved Rollover 2018/19	Monthly actual	YearTD actual	YTD variance	YTD variance
<b>EXPENDITURE</b>					
<b>Operating expenditure of Approved Roll-overs</b>					
<b>National Government:</b>	-	-	-	-	
Local Government Equitable Share	-			-	
Finance Management	-			-	
EPWP Incentive	-			-	
Energy Efficiency and Demand Management	-			-	
<b>Provincial Government:</b>	-	-	-	-	
N/A				-	
<b>District Municipality:</b>	-	-	-	-	
N/A				-	
<b>Other grant providers:</b>	-	-	-	-	
N/A				-	
<b>Total operating expenditure of Approved Roll-overs</b>	-	-	-	-	
<b>Capital expenditure of Approved Roll-overs</b>					
<b>National Government:</b>	-	-	-	-	
Municipal Infrastructure Grant (MIG)				-	
Intergrated National Electrification Grant				-	
<b>Provincial Government:</b>	-	-	-	-	
Coghsta - Development				-	
<b>District Municipality:</b>	-	-	-	-	
N/A				-	
<b>Other grant providers:</b>	-	-	-	-	
N/A				-	
<b>Total capital expenditure of Approved Roll-overs</b>	-	-	-	-	
<b>TOTAL EXPENDITURE OF APPROVED ROLL-OVERS</b>	-	-	-	-	

Table SC7 (2) provides details for expenditure on approved rollovers. The municipality applied for Municipal Infrastructure Grant roll over (amount not spend in 2018-19 financial year). Roll over approval amounted to R1, 500 million which relate to MIG and will be implemented during the adjustment budget.

## Supporting Table: SC8 - Councilor Allowances and Employee Related Costs

Summary of Employee and Councilor remuneration	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	14,450	15,201		1,156	7,204	7,601	(397)	-5%	15,201
Pension and UIF Contributions	1,657	1,744		140	824	872	(48)	-5%	1,744
Medical Aid Contributions	351	369		27	165	185	(20)	-11%	369
Motor Vehicle Allowance	5,334	5,611		414	2,463	2,806	(342)	-12%	5,611
Cellphone Allowance	2,499	2,629		226	1,347	1,314	32	2%	2,629
Housing Allowances	-	-					-		-
Other benefits and allowances	-	-		18	107		107	#DIV/0!	-
<b>Sub Total - Councillors</b>	<b>24,291</b>	<b>25,554</b>	<b>-</b>	<b>1,981</b>	<b>12,110</b>	<b>12,777</b>	<b>(667)</b>	<b>-5%</b>	<b>25,554</b>
<b>% increase</b>		<b>5%</b>							<b>5%</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	4,532	5,150		359	2,152	2,575	(423)	-16%	5,150
Pension and UIF Contributions	245	172		13	81	86	(5)	-6%	172
Medical Aid Contributions	102	64		7	39	32	7	23%	64
Overtime	-	-					-		-
Performance Bonus	-	-					-		-
Motor Vehicle Allowance	760	918		55	328	459	(131)	-28%	918
Cellphone Allowance	141	188		14	85	94	(9)	-10%	188
Housing Allowances	-	-					-		-
Other benefits and allowances	528	331		245	333	314	19	6%	331
Payments in lieu of leave	-	-					-		-
Long service awards	-	-					-		-
Post-retirement benefit obligations	-	-					-		-
<b>Sub Total - Senior Managers of Municipality</b>	<b>6,308</b>	<b>6,824</b>	<b>-</b>	<b>692</b>	<b>3,018</b>	<b>3,560</b>	<b>(542)</b>	<b>-15%</b>	<b>6,824</b>
<b>% increase</b>		<b>8%</b>							<b>8%</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	79,451	91,339		7,341	45,032	45,670	(638)	-1%	91,339
Pension and UIF Contributions	16,141	18,714		1,489	8,933	9,357	(424)	-5%	18,714
Medical Aid Contributions	4,726	4,761		458	2,690	2,380	310	13%	4,761
Overtime	2,108	1,948		50	567	974	(407)	-42%	1,948
Performance Bonus	-	-					-		-
Motor Vehicle Allowance	10,043	11,571		927	5,555	5,785	(230)	-4%	11,571
Cellphone Allowance	1,147	1,171		149	894	586	309	53%	1,171
Housing Allowances	160	437		15	87	704	(617)	-88%	437
Other benefits and allowances	8,638	8,329		7,056	7,584	7,932	(348)	-4%	8,329
Payments in lieu of leave	1,173	1,951		94	365	976	(611)	-63%	1,951
Long service awards	578	486		58	155	284	(129)	-45%	486
Post-retirement benefit obligations	-	-					-		-
<b>Sub Total - Other Municipal Staff</b>	<b>124,165</b>	<b>140,707</b>	<b>-</b>	<b>17,636</b>	<b>71,863</b>	<b>74,648</b>	<b>(2,785)</b>	<b>-4%</b>	<b>140,707</b>
<b>% increase</b>		<b>13%</b>							<b>13%</b>
<b>Total Parent Municipality</b>	<b>154,764</b>	<b>173,085</b>	<b>-</b>	<b>20,309</b>	<b>86,991</b>	<b>90,985</b>	<b>(3,994)</b>	<b>-4%</b>	<b>173,085</b>
		<b>12%</b>							<b>12%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>154,764</b>	<b>173,085</b>	<b>-</b>	<b>20,309</b>	<b>86,991</b>	<b>90,985</b>	<b>(3,994)</b>	<b>-4%</b>	<b>173,085</b>
<b>% increase</b>		<b>12%</b>							<b>12%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>130,473</b>	<b>147,530</b>	<b>-</b>	<b>18,328</b>	<b>74,881</b>	<b>78,208</b>	<b>(3,327)</b>	<b>-4%</b>	<b>147,530</b>

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid as at end of December 2019 amounts to R86, 991 million and the year to date budget is R90, 985 million and the expenditure for remuneration of councilors amounts to R12, 110 million while the year to date budget is R12, 777 million. The year to date actual expenditure for senior managers is R3, 018 million and the year to date budget thereof is R3, 560 million. There is one senior management vacant position (Budget and Treasury) and this is causing underspending variance on budget performance for senior management. The year to date actuals for other municipal staff is R71, 863 million and the year to date budget is R74, 648 million. The remuneration of councilors, senior manager and other municipal staff category has under spending variance, and there is only one vacant position in the senior management level and the position will be filled.

## Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts

Description	Budget Year 2019/20												2019/20 Medium Term Revenue		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year	Budget Year +1	Budget Year +2
<b>Cash Receipts By Source</b>															
Property rates	2,340	2,014	2,246	2,012	2,102	1,991	1,823	1,823	1,823	1,823	1,823	56	21,878	27,452	28,934
Service charges - electricity revenue	5,598	6,336	6,911	7,093	7,290	7,485	6,741	6,741	6,741	6,741	6,741	12,965	87,380	86,220	90,876
Service charges - water revenue															
Service charges - sanitation revenue															
Service charges - refuse	428	406	338	342	360	327	335	335	335	335	335	143	4,018	4,596	4,844
Rental of facilities and equipment	17	188	59	24	34	43	59	59	59	59	59	45	705	721	760
Interest earned - external investments	425	456	233	41	-	-	245	245	245	245	245	564	2,946	3,105	3,272
Interest earned - outstanding debtors	150	133	127	102	52	74	76	76	76	76	76	(104)	915	1,484	1,564
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	800	800	800	800	800	5,601	9,602	10,120	10,667
Licences and permits	475	481	456	521	415	289	456	456	456	456	456	554	5,470	5,766	6,077
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operating	112,431	2,235	-	-	19,963	69,707	23,135	23,135	23,135	23,135	23,135	(47,392)	272,618	291,737	314,255
Other revenue	1,285	1,215	2,271	1,371	1,521	1,458	139	139	139	139	139	(8,150)	1,664	1,754	1,849
<b>Cash Receipts by Source</b>	<b>123,149</b>	<b>13,464</b>	<b>12,640</b>	<b>11,507</b>	<b>31,737</b>	<b>81,374</b>	<b>33,809</b>	<b>33,809</b>	<b>33,809</b>	<b>33,809</b>	<b>33,809</b>	<b>(35,718)</b>	<b>407,197</b>	<b>432,954</b>	<b>463,098</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	30,967	-	-	-	5,000	17,467	6,160	6,160	6,160	6,160	6,160	(10,313)	73,921	74,234	75,773
Contributions & Contributed assets															
Proceeds on disposal of PPE															
Short term loans															
Borrowing long term/refinancing															
Increase in consumer deposits	56	113	61	(115)	2	7						(524)	(400)	(350)	(300)
Receipt of non-current debtors			4,651	2,585	2,846	-						(10,082)			
Receipt of non-current receivables															
Change in non-current investments															
<b>Total Cash Receipts by Source</b>	<b>154,172</b>	<b>13,577</b>	<b>17,352</b>	<b>13,977</b>	<b>39,585</b>	<b>98,849</b>	<b>39,969</b>	<b>39,969</b>	<b>39,969</b>	<b>39,969</b>	<b>39,969</b>	<b>(56,638)</b>	<b>480,718</b>	<b>506,838</b>	<b>538,571</b>
<b>Cash Payments by Type</b>															
Employee related costs	11,243	11,085	11,107	12,045	11,072	18,328	12,609	12,609	12,609	12,609	12,609	9,606	147,530	157,231	165,564
Remuneration of councillors	1,936	1,903	2,102	2,238	1,951	1,981	2,130	2,130	2,130	2,130	2,130	2,796	25,554	27,266	28,093
Interest paid	255	-	-	731	217	217	207	207	207	207	207	48	2,505	1,141	53
Bulk purchases - Electricity	85	8,918	9,123	7,369	6,053	6,691	6,382	6,382	6,382	6,382	6,382	10,789	80,941	93,406	107,884
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	289	598	990	1,306	803	2,443	773	773	773	773	773	(1,176)	9,120	9,612	9,831
Contracted services	7,339	3,265	7,503	8,035	5,181	14,370	4,990	4,990	4,990	4,990	4,990	(14,375)	56,268	58,464	61,929
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	3,740	3,740	3,942	4,155
Grants and subsidies paid - other	217	228	142	209	119	347	312	312	312	312	312	(2,820)			
General expenses	6,799	3,168	4,748	5,317	2,254	5,258	4,247	4,247	4,247	4,247	4,247	(6,224)	42,552	40,284	40,150
<b>Cash Payments by Type</b>	<b>28,163</b>	<b>29,164</b>	<b>35,715</b>	<b>37,250</b>	<b>27,650</b>	<b>49,635</b>	<b>31,650</b>	<b>31,650</b>	<b>31,650</b>	<b>31,650</b>	<b>31,650</b>	<b>2,384</b>	<b>368,211</b>	<b>391,346</b>	<b>417,660</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	1,421	9,187	5,542	12,834	14,910	6,657	6,452	6,452	6,452	6,452	6,452	5,188	88,001	89,158	88,783
Repayment of borrowing	754	763	771	781	790	799	807	807	807	807	807	992	9,686	11,050	2,504
Other Cash Flows/Payments	38,713	6,411	-	9,746	-	12,347	838	838	838	838	838	(61,352)	10,055	13,000	15,000
<b>Total Cash Payments by Type</b>	<b>69,053</b>	<b>45,525</b>	<b>42,028</b>	<b>60,612</b>	<b>43,350</b>	<b>69,438</b>	<b>39,747</b>	<b>39,747</b>	<b>39,747</b>	<b>39,747</b>	<b>39,747</b>	<b>(52,788)</b>	<b>475,953</b>	<b>504,555</b>	<b>523,947</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>85,119</b>	<b>(31,948)</b>	<b>(24,677)</b>	<b>(46,635)</b>	<b>(3,765)</b>	<b>29,411</b>	<b>222</b>	<b>222</b>	<b>222</b>	<b>222</b>	<b>222</b>	<b>(3,850)</b>	<b>4,764</b>	<b>2,283</b>	<b>14,624</b>
Cash/cash equivalents at the month/year beginning:	24,177	109,296	77,348	52,671	6,036	2,271	31,682	31,904	32,126	32,347	32,569	32,791	24,177	28,941	31,224
Cash/cash equivalents at the month/year end:	109,296	77,348	52,671	6,036	2,271	31,682	31,904	32,126	32,347	32,569	32,791	28,941	28,941	31,224	45,848

Supporting table SC9 provides detailed monthly cash flow statement that spells out the receipts by source and payments by type. The monthly cash receipts reflect an amount of R98, 849 million and the total cash payment for the month were R69, 438 million and this resulted in net decrease in cash held amounting to R29, 411 million. With cash and cash equivalent of R2, 271 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of R31, 682 million. This is a supporting table for table C7 – Cash Flow Statement.

### Supporting Table: SC 12 Capital Expenditure Trend

Month	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
<b>Monthly expenditure performance trend</b>									
July	4,292	9,466		1,112	1,112	9,466	8,353	88%	1%
August	1,635	3,712		7,822	8,934	13,178	4,244	32%	9%
September	9,816	14,062		4,238	13,172	27,239	14,068	52%	14%
October	5,461	8,364		12,834	26,006	35,603	9,597	27%	27%
November	6,413	8,687		14,910	40,916	44,290	3,374	8%	43%
December	7,217	9,913		6,657	47,574	54,203	6,629	12%	50%
January	2,762	8,429				62,632	-		
February	5,583	4,675				67,307	-		
March	2,500	10,432				77,739	-		
April	5,844	4,917				82,656	-		
May	8,105	5,184				87,840	-		
June	11,742	7,813				95,654	-		
<b>Total Capital expenditure</b>	<b>71,370</b>	<b>95,654</b>	<b>-</b>	<b>47,574</b>					

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for the month of December amounts to R6, 657 million. The year to date actual expenditure incurred is R47, 574 million whilst the year to date budget is R54, 203 million that gives rise to under spending variance of R6, 629 million that translate to 12%.

## Supporting Table: SC 13(a) Capital Expenditure on New Assets

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital expenditure on new assets by Asset Class</b>									
<b>Infrastructure</b>	47,545	53,043	-	4,144	25,420	27,633	2,214	8%	53,043
<b>Roads Infrastructure</b>	34,057	33,521	-	3,856	12,564	17,199	4,635	27%	33,521
Roads	34,057	33,521		3,856	12,564	17,199	4,635	27%	33,521
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Drainage Collection							-		
<b>Electrical Infrastructure</b>	13,487	19,522	-	289	12,856	10,434	(2,421)	-23%	19,522
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	13,487	19,522		289	12,856	10,434	(2,421)	-23%	19,522
<b>Solid Waste Infrastructure</b>	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
Waste Processing Facilities							-		
<b>Community Assets</b>	-	-	-	-	-	-	-		-
Community Facilities	-	-	-	-	-	-	-		-
Libraries							-		
Cemeteries/Crematoria							-		
Police							-		
<b>Other assets</b>	4,947	900	-	-	-	733	733	100%	900
Operational Buildings	4,947	900	-	-	-	733	733	100%	900
Municipal Offices	4,947	900				733	733	100%	900
Pay/Enquiry Points							0%		
Building Plan Offices							-		
Workshops							-		
<b>Intangible Assets</b>	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Water Rights							-		
<b>Computer Equipment</b>	1,000	500	-	13	13	420	408	97%	500
Computer Equipment	1,000	500		13	13	420	408	97%	500
<b>Furniture and Office Equipment</b>	400	400	-	523	526	317	(209)	-66%	400
Furniture and Office Equipment	400	400		523	526	317	(209)	-66%	400
<b>Machinery and Equipment</b>	300	2,326	-	283	626	1,909	1,283	67%	2,326
Machinery and Equipment	300	2,326		283	626	1,909	1,283	67%	2,326
<b>Transport Assets</b>	-	-	-	-	-	-	-		-
Transport Assets							-		
<b>Total Capital Expenditure on new assets</b>	54,192	57,169	-	4,963	26,585	31,013	4,429	14%	57,169

## Supporting Table: SC 13(b) Capital Expenditure on Renewal of Existing Assets

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital expenditure on renewal of existing assets by Asset Class</b>									
<b>Infrastructure</b>	40,944	21,663	-	816	13,169	11,060	(2,109)	-19%	21,663
<b>Roads Infrastructure</b>	40,944	21,663	-	816	13,169	11,060	(2,109)	-19%	21,663
Roads	40,944	21,663		816	13,169	11,060	(2,109)	-19%	21,663
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
<b>Electrical Infrastructure</b>	-	-	-	-	-	-	-		-
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks							-		
<b>Solid Waste Infrastructure</b>	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
<b>Community Assets</b>	522	-	-	-	-	-	-		-
Community Facilities	522	-	-	-	-	-	-		-
Libraries							-		
Cemeteries/Crematoria	522	-					-		
Police							-		
<b>Sport and Recreation Facilities</b>	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
<b>Other assets</b>	-	-	-	-	-	-	-		-
Operational Buildings	-	-	-	-	-	-	-		-
Municipal Offices							-		
Workshops							-		
<b>Intangible Assets</b>	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Water Rights							-		
<b>Computer Equipment</b>	-	-	-	-	-	-	-		-
Computer Equipment							-		
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-		-
Machinery and Equipment							-		
<b>Transport Assets</b>	-	-	-	-	-	-	-		-
Transport Assets							-		
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>41,466</b>	<b>21,663</b>	<b>-</b>	<b>816</b>	<b>13,169</b>	<b>11,060</b>	<b>(2,109)</b>	<b>-19.1%</b>	<b>21,663</b>

## Supporting Table: SC 13(c) Repairs and Maintenance Expenditure

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Repairs and maintenance expenditure by Asset Class</b>									
<b>Infrastructure</b>	6,704	6,756	-	1,406	3,097	3,887	789	20%	6,756
<b>Roads Infrastructure</b>	2,000	2,000	-	-	107	1,333	1,227	92%	2,000
Roads	2,000	2,000		-	107	1,333	1,227	92%	2,000
Road Structures							-		
Road Furniture							-		
<b>Electrical Infrastructure</b>	1,000	1,052	-	1,083	1,593	701	(892)	-127%	1,052
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	1,000	1,052		1,083	1,593	701	(892)	-127%	1,052
<b>Solid Waste Infrastructure</b>	3,704	3,704	-	323	1,397	1,852	455	25%	3,704
Landfill Sites	3,704	3,704		323	1,397	1,852	455	25%	3,704
Waste Transfer Stations							-		
<b>Other assets</b>	1,000	1,052	-	746	1,343	701	(642)	-92%	1,052
Operational Buildings	1,000	1,052	-	746	1,343	701	(642)	-92%	1,052
Municipal Offices	1,000	1,052		746	1,343	701	(642)	-92%	1,052
Workshops							-		
<b>Intangible Assets</b>	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Solid Waste Licenses							-		
<b>Computer Equipment</b>	-	-	-	-	-	-	-		-
Computer Equipment							-		
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
<b>Machinery and Equipment</b>	1,670	1,757	-	70	718	1,112	395	35%	1,757
Machinery and Equipment	1,670	1,757		70	718	1,112	395	35%	1,757
<b>Transport Assets</b>	1,000	1,052	-	440	1,256	701	(555)	-79%	1,052
Transport Assets	1,000	1,052		440	1,256	701	(555)	-79%	1,052
<b>Total Repairs and Maintenance Expenditure</b>	<b>10,374</b>	<b>10,617</b>	<b>-</b>	<b>2,663</b>	<b>6,415</b>	<b>6,402</b>	<b>(13)</b>	<b>0%</b>	<b>10,617</b>



## Supporting Table: SC 13(d) Depreciation and asset impairment

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Depreciation by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>34,653</b>	<b>39,133</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,161</b>	<b>17,161</b>	<b>100%</b>	<b>39,133</b>
<b>Roads Infrastructure</b>	<b>25,147</b>	<b>29,133</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,566</b>	<b>14,566</b>	<b>100%</b>	<b>29,133</b>
Roads	25,147	29,133				14,566	14,566	100%	29,133
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	3,712	3,905	-	-	-	-	-		3,905
Attenuation							-		
<b>Electrical Infrastructure</b>	<b>5,166</b>	<b>5,434</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,264</b>	<b>2,264</b>	<b>100%</b>	<b>5,434</b>
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors	5,166	5,434				2,264	2,264	100%	5,434
MV Networks							-		
<b>Solid Waste Infrastructure</b>	<b>629</b>	<b>662</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>331</b>	<b>331</b>	<b>100%</b>	<b>662</b>
Landfill Sites	629	662				331	331	100%	662
Waste Transfer Stations							-		
<b>Community Assets</b>	<b>2,918</b>	<b>3,070</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,535</b>	<b>1,535</b>	<b>100%</b>	<b>3,070</b>
Community Facilities	2,918	3,070	-	-	-	1,535	1,535	100%	3,070
Libraries							-		
Cemeteries/Crematoria	2,918	3,070				1,535	1,535	100%	3,070
Police							-		
<b>Other assets</b>	<b>2,180</b>	<b>2,293</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,147</b>	<b>1,147</b>	<b>0</b>	<b>2,293</b>
Operational Buildings	2,180	2,293	-	-	-	1,147	1,147	100%	2,293
Municipal Offices	2,180	2,293				1,147	1,147	100%	2,293
Workshops							-		
<b>Intangible Assets</b>	<b>378</b>	<b>398</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>875</b>	<b>875</b>	<b>100%</b>	<b>398</b>
Servitudes							-		
Licences and Rights	378	398	-	-	-	875	875	100%	398
Computer Software and Applications	378	398				875	875	100%	398
<b>Computer Equipment</b>	<b>1,518</b>	<b>1,597</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>798</b>	<b>798</b>	<b>100%</b>	<b>1,597</b>
Computer Equipment	1,518	1,597				798	798	100%	1,597
<b>Furniture and Office Equipment</b>	<b>3,817</b>	<b>4,015</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,007</b>	<b>2,007</b>	<b>100%</b>	<b>4,015</b>
Furniture and Office Equipment	3,817	4,015				2,007	2,007	100%	4,015
<b>Machinery and Equipment</b>	<b>2,175</b>	<b>2,288</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,144</b>	<b>1,144</b>	<b>100%</b>	<b>2,288</b>
Machinery and Equipment	2,175	2,288				1,144	1,144	100%	2,288
<b>Transport Assets</b>	<b>3,542</b>	<b>3,727</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,863</b>	<b>1,863</b>	<b>100%</b>	<b>3,727</b>
Transport Assets	3,542	3,727				1,863	1,863	100%	3,727
<b>Total Depreciation</b>	<b>51,181</b>	<b>56,520</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,531</b>	<b>26,531</b>	<b>100%</b>	<b>56,520</b>

## Supporting Table: SC 13(e) Capital Expenditure on upgrading of Existing Assets

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital expenditure on upgrading of existing assets by Asset Class</b>									
<b>Infrastructure</b>	1,600	14,346	-	750	8,262	9,863	1,602	16%	14,346
<b>Roads Infrastructure</b>	-	14,346	-	750	8,262	9,863	1,602	16%	14,346
Roads		14,346		750	8,262	9,863	1,602	16%	14,346
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Storm water Conveyance							-		
Attenuation							-		
<b>Electrical Infrastructure</b>	-	-	-	-	-	-	-		-
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks							-		
<b>Solid Waste Infrastructure</b>	1,600	-	-	-	-	-	-		-
Landfill Sites	1,600	-					-		-
Waste Transfer Stations							-		
<b>Community Assets</b>	-	-	-	-	-	-	-		-
Community Facilities	-	-	-	-	-	-	-		-
Libraries							-		
Cemeteries/Crematoria							-		
Police							-		
<b>Other assets</b>	-	2,476	-	129	649	2,266	1,617	0	2,476
Operational Buildings	-	2,476	-	129	649	2,266	1,617	71%	2,476
Municipal Offices	-	2,476		129	649	2,266	1,617	71%	2,476
Workshops							-		
<b>Intangible Assets</b>	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Computer Software and Applications							-		
<b>Computer Equipment</b>	-	-	-	-	-	-	-		-
Computer Equipment							-		
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-		-
Machinery and Equipment							-		
<b>Transport Assets</b>	-	-	-	-	-	-	-		-
Transport Assets							-		
<b>Total Capital Expenditure on upgrading of existing assets</b>	1,600	16,822	-	878	8,910	12,129	3,219	27%	16,822

Supporting table SC13a, SC13b and SC13e provide details of capital expenditure in terms of asset classification based on new assets and renewal of existing assets; while table SC13c provide details of expenditure performance on repairs and maintenance by asset classification and Table SC13d presents expenditure on depreciation and asset impairment. These tables present the capital programme, and assets management and performance of the Municipality.

The total expenditure for new capital projects amounts to R26, 585 million and the year to date budget is R31, 013 million that reflects under spending variance of R4, 429 million that translates to 14% variance.

The year to date actuals on renewal of existing assets amounts R13, 169 million, and with the year to date budget of R11, 060 million and this reflects over spending variance of R2, 109 that translates to 19.1% variance.

The year to date actual expenditure on repairs and maintenance is R6, 415 million and the year to date budget is R6, 402 million, reflecting under spending variance of R13 thousand that translates to 0%.

The year to date actual expenditure on upgrading of existing assets is R8, 910 million and the year to date budget is R12, 129 million, reflecting under spending variance of R3, 219 million that translates to 27%.

The year to date actual expenditure on depreciation and asset impairment is nil and the year to date budget is R26, 531 million, reflecting spending variance of nil, that translates to 100% which means the integration between asset management system and core financial system is done bi-annually and this is one of the requirements for implementation of mSCOA. This is basically mean that the municipality is complying with some of mSCOA requirements.

## List of Capital Programmes and Projects

Department	Project Description	Type	Asset Class	Asset Sub-Class	Medium Term Revenue and Expenditure Framework Budget Year 2019/20		
					Original Budget	YTD Actuals	Percentage
<b>Parent municipality:</b>							
Technical Services	Kgapamadi road	Renewal	Infrastructure	Roads Infrastructure	22,816	5,503	24%
Technical Services	Development of masakaneng-COGHSTA	New	Infrastructure	Roads Infrastructure	21,771	10,271	47%
Technical Services	Grobbersdal Landfill site	Upgrade	Community assets	Waste Management	13,000	8,262	64%
Technical Services	Electrification of Tambo Village	New	Infrastructure	Electrical Infrastructure	12,266	8,718	71%
Technical Services	Grobbersdal Roads and Streets	New	Infrastructure	Roads Infrastructure	8,696	7,068	81%
Technical Services	Tambo Road Construction	New	Infrastructure	Roads Infrastructure	8,400	5,604	67%
Technical Services	JJ Zaaiplaas Road	New	Infrastructure	Roads Infrastructure	7,705	782	10%
Technical Services	Electrification of Masakaneng	New	Infrastructure	Electrical Infrastructure	3,864	3,583	93%
Technical Services	Motetema Internal Streets	New	Infrastructure	Roads Infrastructure	3,478	497	14%
Technical Services	Development of workshop	New	Other Assets	Operational building	2,476	649	26%
Technical Services	Culverts, road signs	New	Infrastructure	Roads Infrastructure	1,739	–	0%
Technical Services	Upgrading of Bloompooort to Uitspanning Access Road (Design only)	Renewal	Infrastructure	Roads Infrastructure	1,500	–	0%
Technical Services	Upgrading of Dipakapakeng Access Road	Upgrade	Infrastructure	Roads Infrastructure	1,500	–	0%
Technical Services	Electrification of Mashemong	New	Infrastructure	Electrical Infrastructure	1,435	289	20%
Technical Services	Electrification of Ntswelemutse	New	Infrastructure	Electrical Infrastructure	1,435	–	0%
Technical Services	Upgrading of Tafelkop stadium Access Road	Upgrade	Infrastructure	Roads Infrastructure	696	–	0%
Community Services	Lawn mowers and other equipment's	New	Community assets	Machinery and Equipment	522	402	77%
Technical Services	Completion of 2 Highmast light in Ward 10	Renewal	Infrastructure	Electrical Infrastructure	522	266	51%
Corporate Services	Computer Equipment	New	Computer Equipment	Computer Equipment	500	13	3%
Technical Services	Equipment(tools)	New	Equipment	Equipment	500	–	0%
Community Services	Mobile Offices Traffic	New	Community assets	Operational building	500	–	0%
Community Services	Tractor, tractor trailer and slasher	New	Community assets	Machinery and Equipment	478	–	0%
Corporate Services	Furniture and Office Equipment	New	Furniture and Office Equipment	Furniture and Office Equipment	400	526	132%
Technical Services	Air Conditioner	New	Machinery and Equipment	Machinery and Equipment	400	–	0%
Community Services	Twenty skip bins	New	Community assets	Machinery and Equipment	348	–	0%
Community Services	Bin lifter (compatible with self-compressed containers)	New	Machinery and Equipment	Machinery and Equipment	348	–	0%
Community Services	Two trailers	New	Community assets	Equipment	130	–	0%

# Quality certificate

I, **MESHACK MAHLAGAUME KGWALE**, the Municipal Manager of **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**, hereby certify that the monthly budget statement report and supporting documentation for the month of December 2019 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Municipal Manager of Elias Motsoaledi Local Municipality

Signature

Date

*[Handwritten signature]*  
17/01/2020

